



## Understanding Your Local Economy: Local Agricultural Structure and Community Economies

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There is a direct economic connection between agricultural and nonagricultural sectors of community economies, which can become very complex. Income and expense dollars associated with agricultural production are spent in the non-agricultural economy. However, dollars also flow in the other direction. Income earned by producers and their families from off-farm employment is becoming an increasingly important factor in the agricultural sector.

This relationship is further complicated by competitive use of natural and human resources. Increasing or decreasing demand for resources by one sector will affect cost and availability to the other sector. For example, nonagricultural economic and population growth may increase price and decrease availability of land and water resources for agricultural production. Also, technological advances reducing the requirement for human resources in agricultural production may lead to depressed wage rates and population outmigration.

Complete information about the nature of these interactions would be useful to community leaders for anticipating and initiating economic change. However, the complexity of the situation can prohibit evaluation. Fortunately, substantial research has been done constructing relatively simple categories of agricultural/nonagricultural economic interactions in local economies. A key aspect of this categorization is whether the local agriculture structure is characterized by large farm/ranch production (sales greater than \$40,000) or small farm/ranch production (sales less than \$40,000).

County economies can be classified as **LARGE** or **SMALL**, or as unclassified but having characteristics that show tendencies toward **large** or **small** farm/ranch structure (shown in lower case in the table on the next page). General characteristics of each type are as follows:

- **LARGE** farm/ranch counties tend to have a narrowly-based agricultural sector (one or two major commodities), a relatively small non-

agricultural economic base and slow population growth or decline. The numerically limited human resource base has high education and disability levels. However, the proportion of elderly in the population is large, and continues to increase, with implications for health care delivery systems.

Trends in the agricultural sector dominating the economy of counties point to continued exit of people from agricultural employment. With increasing demand for few nonagricultural employment opportunities, outmigration results with younger, better educated residents moving first, and farthest. Declining land prices, due to uncertainty over agricultural profits, reduce the flow of tax revenue to local governments. Consequently, this has an adverse effect on funding public services (including health care).

- **SMALL** farm/ranch counties have attributes relatively opposite those of large farm/ranch counties. Diversified agricultural production reduces economic fluctuations in these counties and is complemented by substantial non-agricultural employment opportunities. These help support retention of people in agriculture, if only on a part-time basis, by providing an alternative source of income. However, many of these jobs are based on established basic manufacturing sectors (for example, clothing and shoes) that are experiencing substantial foreign competition.
- Unclassified counties possess blends of characteristics that indicate a predisposition to becoming large or small farm/ranch types. This information can be used to formulate options for development. However, substantial tension may develop between agricultural and non-agricultural sectors. For example, efforts to increase nonagricultural economic activity may hinder development of large farm/ranch agriculture necessary to compete on a full-time basis in today's global economy. On the other hand, agriculturally-focused development may inhibit certain types of private and public sector economic activity.

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# Agriculture Structure Classification \*

County	Type	County	Type	County	Type	County	Type
ANDERSON	SMALL	DONLEY	large	KAUFMAN	SMALL	REAL	SMALL
ANDREWS	large	DUVAL	SMALL	KENDALL	SMALL	RED RIVER	SMALL
ANGELINA	SMALL	EASTLAND	SMALL	KENEDY	large	REEVES	large
ARANSAS	SMALL	ECTOR	SMALL	KENT	large	REFUGIO	large
ARCHER	large	EDWARDS	large	KERR	SMALL	ROBERTS	LARGE
ARMSTRONG	LARGE	ELLIS	SMALL	KIMBLE	SMALL	ROBERTSON	SMALL
ATASCOSA	large	EL PASO	small	KING	LARGE	ROCKWALL	SMALL
AUSTIN	SMALL	ERATH	small	KINNEY	large	RUNNELS	large
BAILEY	LARGE	FALLS	small	KLEBERG	large	RUSK	SMALL
BANDERA	SMALL	FANNIN	SMALL	KNOX	large	SABINE	SMALL
BASTROP	SMALL	FAYETTE	SMALL	LAMAR	SMALL	SAN AUGUSTINE	small
BAYLOR	large	FISHER	large	LAMB	LARGE	SAN JACINTO	SMALL
BEE	large	FLOYD	LARGE	LAMPASAS	SMALL	SAN PATRICIO	large
BELL	SMALL	FOARD	large	LA SALLE	large	SAN SABA	small
BEXAR	SMALL	FORT BEND	small	LAVACA	SMALL	SCHLEICHER	large
BLANCO	SMALL	FRANKLIN	small	LEE	SMALL	SCURRY	large
BORDEN	large	FREESTONE	SMALL	LEON	SMALL	SHACKELFORD	large
BOSQUE	SMALL	FRIO	large	LIBERTY	SMALL	SHELBY	small
BOWIE	SMALL	GAINES	LARGE	LIMESTONE	SMALL	SHERMAN	LARGE
BRAZORIA	small	GALVESTON	SMALL	LIPSCOMB	large	SMITH	SMALL
BRAZOS	SMALL	GARZA	large	LIVE OAK	small	SOMERVELL	SMALL
BREWSTER	large	GILLESPIE	SMALL	LLANO	small	STARR	SMALL
BRISCOE	large	GLASSCOCK	LARGE	LOVING	large	STEPHENS	SMALL
BROOKS	SMALL	GOLIAD	SMALL	LUBBOCK	large	STERLING	LARGE
BROWN	SMALL	GONZALES	small	LYNN	LARGE	STONEWALL	large
BURLESON	SMALL	GRAY	large	MCCULLOCH	large	SUTTON	large
BURNET	SMALL	GRAYSON	SMALL	MCCLENNAN	SMALL	SWISHER	LARGE
CALDWELL	SMALL	GREGG	SMALL	MCMULLEN	large	TARRANT	SMALL
CALHOUN	small	GRIMES	SMALL	MADISON	SMALL	TAYLOR	SMALL
CALLAHAN	SMALL	GUADALUPE	SMALL	MARION	SMALL	TERRELL	LARGE
CAMERON	large	HALE	LARGE	MARTIN	LARGE	TERRY	LARGE
CAMP	SMALL	HALL	large	MASON	small	THROCKMORTON	large
CARSON	LARGE	HAMILTON	SMALL	MATAGORDA	large	TITUS	SMALL
CASS	SMALL	HANSFORD	LARGE	MAVERICK	large	TOM GREEN	large
CASTRO	LARGE	HARDEMAN	large	MEDINA	SMALL	TRAVIS	SMALL
CHAMBERS	small	HARDIN	SMALL	MENARD	large	TRINITY	SMALL
CHEROKEE	SMALL	HARRIS	SMALL	MIDLAND	large	TYLER	SMALL
CHILDRESS	large	HARRISON	SMALL	MILAM	SMALL	UPSHER	SMALL
CLAY	large	HARTLEY	LARGE	MILLS	SMALL	UPTON	large
COCHRAN	LARGE	HASKELL	large	MITCHELL	large	UVALDE	large
COKE	small	HAYS	SMALL	MONTAGUE	SMALL	VAL VERDE	large
COLEMAN	large	HEMPHILL	LARGE	MONTGOMERY	SMALL	VAN ZANDT	SMALL
COLLIN	SMALL	HENDERSON	SMALL	MOORE	LARGE	VICTORIA	SMALL
COLLINGSWORTH	large	HIDALGO	large	MORRIS	SMALL	WALKER	SMALL
COLORADO	small	HILL	small	MOTLEY	large	WALLER	SMALL
COMAL	SMALL	HOCKLEY	LARGE	NACOGDOCHES	small	WARD	SMALL
COMANCHE	small	HOOD	SMALL	NAVARRO	SMALL	WASHINGTON	SMALL
CONCHO	large	HOPKINS	small	NEWTON	SMALL	WEBB	large
COOKE	small	HOUSTON	SMALL	NOLAN	large	WHARTON	large
CORYELL	SMALL	HOWARD	large	NUECES	large	WHEELER	large
COTTLE	large	HUDSPETH	large	OCHILTREE	LARGE	WICHITA	large
CRANE	large	HUNT	SMALL	OLDHAM	LARGE	WILBARGER	large
CROCKETT	LARGE	HUTCHINSON	LARGE	ORANGE	SMALL	WILLACY	large
CROSBY	LARGE	IRION	large	PALO PINTO	SMALL	WILLIAMSON	small
CULBERSON	large	JACK	SMALL	PANOLA	SMALL	WILSON	SMALL
DALLAM	LARGE	JACKSON	small	PARKER	SMALL	WINKLER	large
DALLAS	SMALL	JASPER	SMALL	PARMER	LARGE	WISE	SMALL
DAWSON	LARGE	JEFF DAVIS	large	PECOS	large	WOOD	SMALL
DEAF SMITH	LARGE	JEFFERSON	small	POLK	SMALL	YOAKUM	LARGE
DELTA	small	JIM HOGG	large	POTTER	large	YOUNG	large
DENTON	SMALL	JIM WELLS	small	PRESIDIO	large	ZAPATA	SMALL
DE WITT	SMALL	JOHNSON	SMALL	RAINS	SMALL	ZAVALA	large
DICKENS	large	JONES	large	RANDALL	large		
DIMMIT	large	KARNES	SMALL	REAGAN	LARGE		

\* Source: USDA, Economic Research Service, Local Farm Structure and Community Ties, RDRR #68, 1988.

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Issued in furtherance of Cooperative Extension Work in Agriculture and Home Economics, Acts of Congress of May 8, 1914, as amended, and June 30, 1914, in cooperation with the United States Department of Agriculture. Zerle L. Carpenter, Director, Texas Agricultural Extension Service, The Texas A&M University System.